

Media advisory

Jan. 31, 2003

Kentucky takes action against Reciprocal of America

The Kentucky Department of Insurance issued an order on January 30, 2003, suspending Reciprocal of America's certificate of authority in Kentucky. The action came following action by the Commonwealth of Virginia placing the company in receivership on January 29. This action means Reciprocal may not write new or renewal business in Kentucky.

DOI has requested a list of Kentucky subscribers from Virginia. Based on preliminary information, as well as in-state sources, it appears that Reciprocal's market in Kentucky was primarily medical malpractice for hospitals, not individual physicians or other healthcare providers. Many of those hospitals have already sought alternative coverage. Reciprocal also wrote some workers compensation.

Any Kentucky hospital still covered by Reciprocal may contact the Kentucky Department of Insurance at 800-595-6053 for a list of carriers offering coverage to hospitals.

Kentucky continues to monitor the situation and is in regular contact with Virginia's State Corporation Commission (SCC)/Bureau of Insurance. More Kentucky-related information should be available in the near future.

For more immediate information, contact Ken Schrad, director of information resources at Virginia SCC, at 804-371-9141.

For background information, link to Virginia press release and order: <http://www.state.va.us/scc/news/roa.htm>.